

Recording Requested By  
And When Recorded Mail To:

Nonprofit Finance Fund  
70 West 36<sup>th</sup> Street, 11<sup>th</sup> Floor  
New York, NY 10018  
Attn: Nancy Nichols

**SUBORDINATION AGREEMENT**

(890 Hayes Street, San Francisco, California,  
214 Haight Street, San Francisco, California)

**NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTIES BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.**

THIS AGREEMENT (the “**Agreement**”), is made as of     , 201    , by and between **HEALTHRIGHT 360**, a California nonprofit public benefit corporation, hereinafter described as the “**Borrower**,” **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, hereinafter, referred to as the “**Subordinate Lender**,” and **NONPROFIT FINANCE FUND**, a New York not-for-profit corporation, hereinafter referred to the “**Senior Lender**.”

**WITNESSETH**

WHEREAS, Borrower is currently the owner of the following properties: 890 Hayes Street, San Francisco, California (the “**Hayes Street Property**”) and 214 Haight Street, San Francisco, California (the “**Haight Street Property**”). The Hayes Street Property and the Haight Street Property are collectively referred to as the “**Properties**” and sometimes individually referred to as a “**Property**.”

[WHEREAS, prior to the date hereof, the Subordinate Lender has made the following three (3) loans to Borrower each of which are secured by both the Hayes Street Property and the Haight Street Property:

1. A Loan in the amount of \$285,000 secured by a Construction and Permanent Deed of Trust, Security Agreement, and Assignment of Leases and Fixture Filing dated December 21, 2005 and recorded in the San Francisco County Recorder’s Office (the “**Official Records**”) on December 21, 2005 as Document No. 2005-I095416-00;
2. A Loan in the amount of \$3,802,000 secured by a Construction and Permanent Deed of Trust, Security Agreement, and Assignment of Leases and Fixture Filing dated September 21, 2007 and recorded in the Official Records on October 22, 2007 as Document No. 2007-I478112-00;
3. A Loan in the amount of \$200,000 secured by a Deed of Trust and Assignment of Rents dated June 16, 2010 and recorded in the Official Records on June 30, 2010 as Document No. 2010-1990497-00

WHEREAS, prior to the date hereof, the Subordinate Lender has made the following loan to Borrower, which is secured by the Haight Street Property only:

A Loan in the amount of \$450,000 secured by a Deed of Trust and Assignment of Rents dated August 14, 1996 and recorded in the Official Records on September 6, 1996 as Document No. 96-G031901-00; WHEREAS, the aforesaid four (4) loans are collectively referred to as the “**Subordinate Loans**” and sometimes individually referred to as a “**Subordinate Loan**.” The indebtedness evidenced and secured by the Subordinate Loans is hereinafter collectively referred to as the “**Subordinate Indebtedness**.” The aforesaid deeds of trust, regulatory agreements, and any other documents or instruments recorded in connection with any of the Subordinate Loans are collectively referred to as the “**Subordinate Encumbrances**” and the Subordinate Encumbrances, together with any and all loan agreements, promissory notes, and other documents and instruments securing and/or relating to the Subordinate Loans, are collectively referred to as the “**Subordinate Loan Documents**.” The Subordinate Loan Documents also create in favor of the Subordinate Lender security interests and liens in other property, rights, accounts, and interests of Borrower. Such other property, rights, accounts, and interests (excluding any rights or interests in that certain real property located at 815 Buena Vista Avenue, San Francisco, California) are collectively referred to as the **Other Collateral**.

WHEREAS, concurrently with the execution of this Agreement, the Senior Lender is making a loan (the “**Senior Loan**”) to Borrower in the amount of \$8,500,000. Concurrently herewith, the Senior Loan will be secured by a Deed Of Trust with Assignment of Rents, Security Agreement, and Fixture Filing (the “**Senior Deed of Trust**”) to be recorded against the Borrower’s interest in both of the Properties in the Official Records Official Records. The Senior Deed of Trust, together with the UCC-1 Fixture Filing and any other documents to be recorded in connection with the Senior Loan, are hereinafter collectively referred to as the “**Senior Encumbrances**.” The indebtedness evidenced and secured by the Senior Loan Documents (as defined below) is hereinafter collectively referred to as the “**Senior Indebtedness**.” The Senior Encumbrances, together with all loan agreements, promissory notes, environmental and other documents and instruments securing, guaranteeing, and/or relating to the Senior Loan shall be collectively referred to herein as the “**Senior Loan Documents**.” The Other Collateral is also secured by Senior Loan Documents.

WHEREAS, it is a condition precedent to making the Senior Loan, that the Senior Loan Documents and Senior Lender’s right to payments under the Senior Loan Documents shall unconditionally be and remain at all times a lien or charge upon the Properties and the Other Collateral, prior and superior to the Subordinate Encumbrances and any and all rights, restrictions, agreements, liens and charges in favor of Subordinate Lender and the Subordinate Lender’s respective right to payments under the Subordinate Loan Documents.

WHEREAS, it is to the mutual benefit of the parties hereto that the Senior Lender make the Senior Loan, and Subordinate Lender and Borrower are willing to provide the subordination required by the condition precedents described above.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, Senior Lender, Subordinate Lender and Borrower agree as follows:

1. Subordination of Liens and Payment Rights; General Acknowledgements and Agreements. Subordinate Lender hereby acknowledges, declares, and agrees as follows:
  - a. That the Senior Loan Documents, and any modification, extension or renewal thereof, together with the Senior Lender’s right to payments under the Senior Loan Documents

shall unconditionally be and remain at all times a lien or charge on the Properties and the Other Collateral that is prior and superior to the lien and charge of the Subordinate Loan Documents and to the Subordinate Lender's right to payments under the Subordinate Loan Documents and any and all other rights, restrictions, agreements, liens and charges in favor of the Subordinate Lender. Subject to Section 1.h. below, all advances made by the Senior Lender and any modification, extension or renewal agreed to by a Senior Lender with respect to the Senior Loan, the Senior Loan Documents or any other documents and instruments governing, evidencing or securing the Senior Loan shall be secured by the lien or charge of the Senior Encumbrances, which lien shall at all times be prior and superior to the lien or charge of the Subordinate Encumbrances and the Subordinate Lender's right to payments under the Subordinate Loan Documents and any and all other rights, restrictions, agreements, liens or charges in favor of the Subordinate Lender. Anything hereinabove to the contrary notwithstanding but subject to Section 2 below, the Subordinate Lender shall be entitled to receive and keep all payments made in accordance with the Subordinate Loan Documents until such time as the Subordinate Lender receives a notice of an event of default under the Senior Loan Documents;

- b. That the Senior Lender would not make the Senior Loan to the Borrower without this Agreement;
- c. That with regard to the priority of the Subordinate Encumbrances, this Agreement shall be the sole and only agreement with regard to the subordination of the lien or charge of the Subordinate Encumbrances and all rights to payment to the lien or charge of the Senior Encumbrances and the Senior Lender's right to payment, and shall supersede and cancel any prior agreements as to such subordination including, but not limited to, those provisions, if any, contained in any of the Subordinate Encumbrances, which provide for the subordination of the lien or charge thereof to another deed or deeds of trust, another mortgage or mortgages, or any other property use restrictions or covenants;
- d. That the Subordinate Lender consents to and approves the provisions of the Senior Loan Documents that relate to the disbursement of the proceeds of Senior Loan ("**Disbursement Provisions**");
- e. That the Senior Lender, in approving any disbursements pursuant to any of the Disbursement Provisions, is under no obligation or duty to, nor has the Senior Lender represented that it will, see to the application of such proceeds by the person or persons to whom the proceeds are disbursed and any application or use of such proceeds for purposes other than those provided for in the Senior Loan Documents shall not defeat the subordination herein made in whole or in part;
- f. Subject to Section 1.a. above, that the Subordinate Lender intentionally and unconditionally subordinates the Subordinate Loan Documents and the Subordinate Lender's right to payments under the Subordinate Loan Documents and intentionally and unconditionally subordinates any and all other rights, restrictions, agreements, liens or charges in favor of Subordinate Lender in favor of the lien or charge upon the Properties and the Other Collateral of the Senior Loan Documents;
- g. That the Subordinate Lender understands that in reliance upon, and in consideration of, this Agreement, specific concessions are being and will be made by the Senior Lender, and as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this Agreement;

- h. That the Senior Lender shall not agree to any Material Senior Loan Modification (as defined below) without first obtaining the written consent of the Subordinate Lender, which consent shall not be unreasonably withheld or delayed. “**Material Senior Loan Modification**” means any modification of the Senior Loan Documents following the closing of the Senior Loan (a) that increases the amount of the Senior Loan, the interest rate applicable to the Senior Loan, or the amount of any interest and/or principal payments required to be made prior to maturity or (b) that re-sets the scheduled Maturity Date (as defined in the Senior Loan Documents) of the Senior Loan to an earlier date. In no event shall Material Senior Loan Modifications include (i) any extension of the Maturity Date of the Senior Loan, or (ii) any increase in the principal amount of the Senior Loan (e.g. increases resulting from protective and other advances made by the Lender) or of the interest rate payable thereunder (e.g. interest payable at a default rate) or in payments becoming due, which increases occur automatically or pursuant to any election, decision, or determination that the Senior Lender is entitled to make under the terms and provisions of the Senior Loan Documents;
- i. That the Subordinate Lender shall not agree to any Material Subordinate Loan Modification (as defined below) without first obtaining the written consent of the Senior Lender, which consent shall not be unreasonably withheld or delayed. “**Material Subordinate Loan Modification**” means any modification of the Subordinate Loan Documents (a) that increases the amount of any Subordinate Loan, the interest rate applicable to any Subordinate Loan, or the amount of any interest and/or principal payments required to be made prior to maturity, (b) that accelerates the maturity date of any Subordinate Loan, (c) that requires any payments to be made prior to maturity without regard to the availability of “Residual Receipts” (as defined in the Subordinate Loan Documents), or (d) any change in the proposed development or use of the Properties. In no event shall Material Subordinate Modifications include (i) any extension of the maturity of any Subordinate Loan, or (ii) any increase in the principal amount of any Subordinate Loan (e.g. increases resulting from protective and other advances made by the Lender) or of the interest rate payable thereunder (e.g. interest payable at a default rate) or in payments becoming due, which increases occur automatically or pursuant to any election, decision, or determination that the Subordinate Lender is entitled to make under the terms and provisions of the Subordinate Loan Documents as reviewed by the Senior Lender prior to the date hereof;
- j. That to Subordinate Lender’s actual knowledge, without investigation or inquiry, Subordinate Lender acknowledges that no violation, default or event of default (or events which would become such with the giving of notice or passage of time or both) currently exist under any of the Subordinate Loan Documents;
- k. That the Subordinate Lender’s agreement with Borrower, and any terms and conditions thereof, whether express or implied, are solely between it and Borrower and are of no concern to the Senior Lender, and that the Senior Lender is not, and will not be, throughout the terms of its loan and modification, extension or renewal thereof, under any duty or obligation to assure compliance with the terms and conditions of any agreement between Borrower and the Subordinate Lender; nor will Senior Lender be under any obligation or duty to take any action because of any knowledge it has or may have regarding any breach by Borrower;
- l. That the Subordinate Lender acknowledges that, notwithstanding anything to the contrary in the law, equity or its agreement with Borrower, the subordination of

Subordinate Lender's interest is not subject to compliance, substantial or otherwise, with any provision of such agreement with Borrower, whether express or implied; and,

- m. That the Senior Lender considers the foregoing acknowledgements, declarations, and agreements to be a material condition for Senior Lender making its loan with Borrower.

2. Restrictions on Receipt of Payments. Subordinate Lender hereby agrees that, upon the occurrence of any default under the Senior Loan Documents (a "**Senior Loan Default**"), Borrower shall not be permitted to make, and Subordinate Lender shall not accept or receive, any payment with respect to any of the Subordinate Indebtedness until such Senior Loan Default is cured or waived or the Senior Indebtedness is paid and performed in full. If, notwithstanding the provisions of this Section 2, Subordinate Lender receives any payment with respect to any of the Subordinate Indebtedness during the occurrence of a Senior Loan Default and the Senior Loan Default is not cured or waived in accordance with the Senior Loan Documents, such payment(s) shall be (i) held by Subordinate Lender in trust for the benefit of Senior Lender and (ii) paid to Senior Lender within five (5) business days following the date of receipt by the Subordinate Lender of such payment, provided that Subordinate Lender had received written notice from Senior Lender or from any other party of the Senior Loan Default, or otherwise had actual knowledge of the Senior Loan Default, prior to the time that Subordinate Lender received such payment.

3. Notice and Cure Rights; Limited Standstill Agreement.

- a. For purposes of this Section 3 and the other provisions of this Agreement, the following capitalized words and terms shall have the following meanings:

"**Collateral**" means the Properties, the Other Collateral, and any other collateral held as security for the Senior Loan or any of the Subordinate Loans, as applicable.

"**Cure Period**" means a period of a thirty (30) consecutive days from the giving of a Default Notice.

"**Defaulted Lender**" means the party giving a Default Notice.

"**Default Notice**" means written notice of the default(s) or event(s) of default under the Senior Loan Documents or Subordinate loan Documents, as the case may be.

"**Enforcement Action**" means any right or remedy available to Subordinate Lender under the Subordinate Loan Documents or to Senior Lender under the Senior Loan Documents, at law, in equity or otherwise with respect to Borrower and/or the Collateral, including, without limitation any (i) judicial or non-judicial foreclosure proceeding, the exercise of any power of sale, the taking of a deed or assignment in lieu of foreclosure, the obtaining of a receiver or the taking of any other enforcement action against the Collateral or Borrower, including, without limitation, the taking of possession or control of the Collateral or (ii) acceleration of, or demand or action taken in order to collect, all or any indebtedness secured by the Collateral (other than giving of notices of default and statements of overdue amounts), or the exercise of any other right or remedy, under the Senior Loan Documents or the Subordinate Loan Documents, at law or otherwise, with respect to the enforcement of the Senior Indebtedness or the Subordinate Indebtedness or realization upon the Collateral.

“**Foreclosure Remedy**” means the completion of a foreclosure sale of either Property or the recording of a deed-in-lieu of foreclosure with respect to either Property.

“**Noticed Defaults**” means the noticed default(s) or event(s) of default set forth in a Default Notice.

“**Notice Party**” means the party receiving a Default Notice.

- b. Notice and Cure Rights of Subordinate Lender. Senior Lender agrees that it shall not complete any Enforcement Action unless and until Subordinate Lender has first been given a Default Notice, and Subordinate Lender has failed to cure the Noticed Defaults within the Cure Period; provided, however, that Senior Lender shall be entitled during the Cure Period to continue to pursue all of its rights and remedies under the Senior Loan Documents, including but not limited to acceleration of the Senior Note (subject to the de-acceleration provisions set forth below), commencement and pursuit of foreclosure (but not completion of the foreclosure sale), any guaranty (subject to any notice and cure provisions contained therein), and/or any other Senior Loan Document. It is the express intent of the parties hereunder that Senior Lender shall have the right to pursue all rights and remedies except completion of a Foreclosure Remedy without liability to Subordinate Lender for failure to provide notice to Subordinate Lender, and that the Senior Lender's liability hereunder shall be expressly limited to actual damages to Subordinate Lender directly caused by the Senior Lender's completion of a Foreclosure Remedy without Subordinate Lender receiving the notice and opportunity to cure described above. Unless expressly prohibited by law, Subordinate Lender may record a “Request for Notice,” or similar appropriate document requesting notice of any foreclosure sale under the Senior Deed of Trust, in the Official Records, and in the event Senior Lender has failed to sooner provide Default Notice to Subordinate Lender, the receipt of such notice of foreclosure sale by such Subordinate Lender shall be deemed to be notice to the Subordinate Lender as contemplated in this subsection b. Except as specifically provided herein, or otherwise agreed in writing, Senior Lender's failure to give any such notice for any reason shall not act to impair or waive any remedy or right of Senior Lender under this Subordination Agreement or any of the Senior Loan Documents.
- c. Notice and Cure Rights of Senior Lender. Until the Senior Indebtedness is paid in full, the Subordinate Lender agrees that it shall not complete any Enforcement Action against the Borrower or the Collateral with respect to any of the Subordinate Indebtedness unless and until Senior Lender has first been given a Default Notice and Senior Lender has failed to cure the Noticed Defaults within the Cure Period. provided, however, that Subordinate Lender shall be entitled during the Cure Period to continue to pursue all of its rights and remedies under the Subordinate Loan Documents, including but not limited to acceleration of the Subordinate Indebtedness (subject to the de-acceleration provisions set forth below), commencement and pursuit of foreclosure (but not completion of the foreclosure sale), any guaranty (subject to any notice and cure provisions contained therein), and/or any other Subordinate Loan Document. It is the express intent of the parties hereunder that Subordinate Lender shall have the right to pursue all rights and remedies except completion of a Foreclosure Remedy without liability to Senior Lender for failure to provide notice to Senior Lender, and that the Subordinate Lender's liability hereunder shall be expressly limited to actual damages to Senior Lender directly caused by the Subordinate Lender's completion of a Foreclosure Remedy without Senior Lender receiving the notice and opportunity to cure described above. To the extent not otherwise prohibited by applicable law, any proceeds of any

Enforcement Action obtained by the Subordinate Lender from the Borrower within the Cure Period shall in any event be held in trust by it for the benefit of the Senior Lender and promptly paid or delivered to the Senior Lender in the form received until the Senior Indebtedness is paid in full. Unless expressly prohibited by law, Senior Lender may record a "Request for Notice," or similar appropriate document requesting notice of any foreclosure sale, in the Official Records, and in the event Subordinate Lender has failed to sooner provide notice to Senior Lender, the receipt of such notice of foreclosure sale by Senior Lender shall be deemed to be notice to Senior Lender as contemplated in this subsection c. Except as specifically provided herein, or otherwise agreed in writing, Subordinate Lender's failure to give any such notice for any reason shall not act to impair or waive any remedy or right of Subordinate Lender taken after expiration of the Standstill Period under this Subordination Agreement or any of the Subordinate Loan Documents.

Subordinate Lender hereby agrees and acknowledges that, in the exercise of Senior Lender's rights and remedies, (i) Senior Lender may foreclose against both Properties simultaneously or foreclose against one or the other of the Properties consecutively, in such order to time as the Senior Lender shall determine in its sole discretion and (i) the Subordinate Lender shall have no right to designate the manner or order of which the Properties shall be foreclosed by the Senior Lender.

- d. Civil Code Rights. The provisions of the foregoing paragraphs are intended to supplement, and not to limit, waive, modify or replace, those provisions of law pertaining to notice and cure rights of lenders, including, without limitation, those set forth in California Civil Code sections 2924b and 2924c.
- e. Exercise of Cure Rights. With respect to the exercise of the cure rights provided in Section 3.b. and c. above, the following shall apply:
  - i. Each Notice Party, whether Senior Lender or Subordinate Lender, shall have the right, but not the obligation, to elect to cure the Noticed Defaults by giving the Defaulted Lender written notice of its intention to cure the Noticed Defaults within the Cure Period and thereafter curing all Noticed Defaults within the Cure Period.
  - ii. If a cure of all the Noticed Defaults is completed within the Cure Period, the Defaulted Lender will rescind any notice of default recorded and request dismissal of any receiver who has been appointed, after reimbursement of all of Defaulted Lender's costs, including, without limitation, reasonable attorney's fees and costs.
  - iii. Following the timely cure of all Noticed Defaults by a Notice Party, the Defaulted Lender will not exercise its right to accelerate (or will de-accelerate) the amounts due under the Defaulted Lender's respective loan documents by reason of the Noticed Defaults cured by such Notice Party; provided, however, that nothing herein shall be construed to waive or limit any of the Defaulted Lender's rights or remedies as to any uncured Noticed Default, or any subsequent default, by Borrower.

4. Bankruptcy Proceedings.

- a. For purposes of this Section 4 and the other provisions of this Agreement, the following capitalized words and terms shall have the following meanings:

“**Proceeding**” shall mean any case, proceeding or other action against or by Borrower under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, including without limitation any voluntary or involuntary petition filed pursuant to 11 U.S.C. 101 et. seq.

“**Person**” means any individual, corporation, firm, enterprise, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company or other entity of any kind, or any government or political subdivision or any agency, department or instrumentality thereof.

“**Borrower Group**” refers to any Person which controls, or has the ability to control, the Borrower.

- b. Subordinate Lender hereby waives any requirement for marshaling of assets thereby in connection with any foreclosure of Senior Encumbrance or any other realization upon the Collateral, or any exercise of any rights of set-off or otherwise.
- c. Subordinate Lender agrees that Senior Lender does not owe any fiduciary duty to the Subordinate Lender in connection with the administration of the Senior Indebtedness.
- d. The provisions of this Section 4 shall be applicable both before and after the commencement, whether voluntary or involuntary, of any Proceeding. For as long as the Senior Indebtedness shall remain outstanding, Subordinate Lender shall not, and shall not solicit any Person to, direct or cause either Borrower or any member of Borrower Group to: (i) commence any Proceeding; (ii) institute proceedings to have Borrower or any member of Borrower Group adjudicated a bankrupt or insolvent; (iii) consent to, or acquiesce in, the institution of bankruptcy or insolvency proceedings against Borrower or any member of Borrower Group; (iv) file a petition or consent to the filing of a petition seeking reorganization, arrangement, adjustment, winding-up, dissolution, composition, liquidation or other relief by or on behalf of Borrower of any member of the Borrower Group; (v) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for Borrower or any member of Borrower Group, the Collateral (or any portion thereof); (vi) make an assignment for the benefit of any creditor of Borrower or any member of Borrower Group; (vii) seek to consolidate the Collateral or any other assets of Borrower with any other Person, including any member of Borrower Group in any proceeding relating to bankruptcy, insolvency, reorganization or relief of debtors; or (viii) take any action in furtherance of any of the foregoing.

5. Right to Purchase Senior Loan. If (i) the Senior Indebtedness has been accelerated or (ii) any other Enforcement Action has been commenced and is continuing under the Senior Loan Documents (each of the foregoing, a “**Purchase Option Event**”), upon ten (10) Business Days prior written notice to Senior Lender (“**Purchase Notice**”), Subordinate Lender shall have the right to purchase, in whole but not in part, the Senior Loan for a price equal to the outstanding principal balance thereof, together with all accrued and unpaid interest and other amounts due thereon (including any late charges, default interest, exit fees, yield maintenance fees and prepayment premiums), any protective advances and all costs and expenses (including legal fees and expenses) actually incurred by Senior Lender in enforcing the terms of the Senior Loan Documents (“**Loan Purchase Price**”). Concurrently with payment to Senior Lender of the Loan

Purchase Price, Senior Lender shall deliver or cause to be delivered to Subordinate Lender all Senior Loan Documents held by or on behalf of Senior Lender and will execute in favor of Subordinate Lender or its designee assignment documentation, in form and substance reasonably acceptable to Subordinate Lender, at the sole cost and expense of Subordinate Lender to assign the Senior Loan and its rights under the Senior Loan Documents (without recourse, representations or warranties, except for representations as to the outstanding balance of the Senior Loan and as to Senior Lender's not having assigned or encumbered its rights in the Senior Loan). The right of Subordinate Lender to purchase the Senior Loan shall automatically terminate (i) upon a transfer of either Property by foreclosure sale, sale by power of sale or delivery of a deed in lieu of foreclosure or (ii) if a Purchase Option Event ceases to exist.

6. No Subrogation. Until the indefeasible payment and performance in full of all Senior Indebtedness, Subordinate Lender shall not have and shall not directly or indirectly exercise any rights that it may acquire by reason of subrogation, whether under this Agreement or otherwise, by any payment or distribution by Borrower to Senior Lender.
7. Notices. All notices, demands, requests, consents, approvals or other communications required, permitted, or desired to be given hereunder shall be in writing sent by facsimile (with answer back acknowledged) or by registered, or delivered by hand or reputable overnight courier addressed to the party to be so notified at its address hereinafter set forth, or to such other address as such party may hereafter specify in accordance with the provisions of this Section 7. Any such notice, demand, request, consent, approval or other communication shall be deemed to have been received: (a) three (3) Business Days after the date mailed, (b) on the date of sending by facsimile if sent during business hours on a Business Day (otherwise on the next Business Day), (c) on the date of delivery by hand if delivered during business hours on a Business Day (otherwise on the next Business Day) and (d) on the next Business Day if sent by an overnight commercial courier. "Business Day" means any day other than Saturday, Sunday, or any nationally recognized holiday.

Subordinate Lender:

Mayor's Office of Housing and Community Development  
City and County of San Francisco  
1 South Van Ness Avenue, 5<sup>th</sup> Floor  
San Francisco, CA 94103  
Attn: Director  
Fax no.: [\_\_\_\_\_]

Senior Lender:

Nonprofit Finance Fund  
70 West 36<sup>th</sup> Street, 11<sup>th</sup> Floor  
New York, NY 10018  
Attn: Norah McVeigh  
Fax no.: 212-268-8653

Borrower:

HealthRight 360  
1735 Mission Street

San Francisco, CA 94103  
Attention: Dr. Vitka Eisen  
Fax no.: [\_\_\_\_\_]

9. Applicable Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of California.
10. Attorneys' Fees. If any lawsuit, reference or arbitration is commenced which arises out of or relates to this Agreement, the prevailing party shall be entitled to recover from each other parties such sums as the court, referee or arbitrator may adjudge to be reasonable attorneys' fees in the action, reference or arbitration, in addition to costs and expenses otherwise allowed by law.
11. Successors and Assigns. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party. All covenants, promises and agreements in this Agreement shall inure to the benefit of, and shall bind, the respective successors and assigns of the parties hereto.
12. Counterparts. This Agreement may be executed in multiple counterparts and all original counterparts shall together comprise a fully executed version of this Agreement.
13. Borrower Acknowledgment. Borrower (a) approves of and agrees to all of the terms of this Agreement; (b) agrees to be bound by all of the terms of this Agreement; (c) agrees that any default or event of default by Borrower under any present or future instrument or agreement with respect to the Subordinate Indebtedness shall constitute an immediate default and event of default under all present and future instruments and agreements relating to the Senior Loan; and (d) agrees that, at any time and from time to time, this Agreement may be altered, modified or amended by Senior Lender and Subordinate Lender without notice to or the consent of Borrower.
14. Entire Agreement. This Agreement sets forth in full the terms of agreement between the parties with respect to the subject matter hereof, and may not be modified or amended, nor may any rights hereunder be waived, except in a writing signed by Senior Lender and Subordinate Lender.

*[signatures on following pages]*

**NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.**

**IN WITNESS WHEREOF**, parties hereto have signed this Agreement as of the day and year first above written.

**Subordinate Lender:**

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

APPROVED AS TO FORM:

DENNIS J. HERRERA

City Attorney

By: \_\_\_\_\_

Elizabeth S. Anderson, Deputy City Attorney

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

STATE OF CALIFORNIA )

)

COUNTY OF )

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_



**Borrower:**

**HEALTHRIGHT 360,**

a California nonprofit public benefit corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

*[signatures continue on following page.]*

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STATE OF CALIFORNIA )

)

COUNTY OF )

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

Senior Lender:

**NONPROFIT FINANCE FUND,**  
a New York State not-for-profit corporation

By: \_\_\_\_\_  
Name: Norah McVeigh  
Its: Managing Director

*[end of signatures]*

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

STATE OF NEW YORK )  
 )  
COUNTY OF NEW YORK)

On \_\_\_\_\_, before me, \_\_\_\_\_-, Notary Public, personally appeared Norah McVeigh, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of Maryland that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

**EXHIBIT A**

*(To be inserted by Title Company)*

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, CITY AND COUNTY OF SAN FRANCISCO, AND IS DESCRIBED AS FOLLOWS:

**Hayes Street Property:**

A.P.N.

**Haight Street Property**

A.P.N.